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FM AMCONSUL SAO PAULO
TO RUEHC/SECSTATE WASHDC PRIORITY 5080
INFO RUEHBR/AMEMBASSY BRASILIA 6213
RUEHRG/AMCONSUL RECIFE 2929
RUEHRI/AMCONSUL RIO DE JANEIRO 7113
RUEHAC/AMEMBASSY ASUNCION 2579
RUEHBU/AMEMBASSY BUENOS AIRES 2244
RUEHBO/AMEMBASSY BOGOTA 1371
RUEHCV/AMEMBASSY CARACAS 0300
RUEHLP/AMEMBASSY LA PAZ 2803
RUEHPE/AMEMBASSY LIMA 0985
RUEHMN/AMEMBASSY MONTEVIDEO 1985
RUEHCV/AMEMBASSY CARACAS 0301
RUEHPE/AMEMBASSY LIMA 0986
RUEHSG/AMEMBASSY SANTIAGO 1716
RHEHNSC/NSC WASHDC
RHMFISS/CDR USSOUTHCOM MIAMI FL
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/USDOC WASHDC 2434
RUEHC/DEPT OF LABOR WASHDC

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STATE PASS USTR FOR SULLIVAN/LEZNY
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USDOC FOR 4332/ITA/MAC/OLAC/JANDERSEN/ADRISCOLL/MWARD
USDOC ALSO FOR 3134/USFCS/OIO/SHUPKA
STATE PASS EXIMBANK
STATE PASS OPIC FOR DMORONESE, NRIVERA, CMERVENNE
DOL FOR ILAB MMITTELHAUSER
NSC FOR CRONIN
SOUTHCOM ALSO FOR POLAD
AID/W FOR LAC/AA

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TAGS: [PGOV](#) [PINR](#) [BR](#)
SUBJECT: DEPUTY IZAR SPEAKS ABOUT THE ETHICS COUNCIL, THE CORRUPTION
SCANDAL, ELECTIONS, AND POLITICAL REFORM

REF: (A) SAO PAULO 505; (B) SAO PAULO 498;
(C) SAO PAULO 465; (D) BRASILIA 682;
(E) 02 SAO PAULO 3768

SUMMARY

¶1. (U) Federal Deputy Ricardo Izar, Chairman of the Chamber of Deputies' Ethics Council, is frustrated that so many corrupt Deputies have been exonerated by the full Chamber, but believes nonetheless that the political corruption scandal will have a healthy impact on Brazil's political culture. He predicts that the scandal will serve as a wake-up call to civil society and stimulate voters to become more active in working for honest candidates. However, he does not expect Congress to pass major political reform. Izar does believe that the 2006 elections will see significant turnover in the Chamber. He also predicts that the last of the "mensaleiros" - deputies implicated in the "mensalao" (monthly bribery payoffs) scandal - Jose Janene, a member of the Progressivist Party (PP) from the southern state of Parana, will be expelled from Congress and deprived of his political rights for eight years. Izar expects his own Brazilian Labor Party (PTB) to survive the elections, but thinks Lula's PT is going to suffer considerable losses. END SUMMARY.

CHAIRMAN SATISFIED WITH ETHICS COUNCIL'S WORK

12. (U) Poloff and Political Assistant met May 8 with Federal Deputy Ricardo Izar (Brazilian Labor Party (PTB) from Sao Paulo), Chairman of the Chamber of Deputies' Ethics Council, to discuss the political situation and the impact of the corruption scandal on national and state elections. Izar was eager to talk about the Ethics Council, which is responsible for investigating accusations of wrongdoing against Deputies. He predicted the Council won't hear any more cases this year because all the deputies want to go back to their states to campaign for re-election. The previous week, national media had reported on "Operation Bloodsucker," a major police action targeting persons alleged to have misappropriated funds in the acquisition of ambulances for municipalities. Though several former Deputies and numerous Congressional staffers were implicated, Izar explained that the Ethics Council would not have jurisdiction unless sitting Members of Congress were accused of wrongdoing. (NOTE: Subsequent to this conversation, published allegations have implicated several sitting Members, but it is not yet clear whether the Ethics Council will get involved, or, if it does, when. END NOTE.) Poloff also inquired about an interview published the previous day in which Silvio Pereira, former Secretary-General of the ruling Workers Party (Partido dos

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Trabalhadores - PT) had offered a new version of the mensalao scandal (see ref A). Again, Izar explained, since the Parliamentary Investigative Commissions (CPIs) had completed their work and issued their reports, it was unlikely that Pereira's allegations would create any new work for the Ethics Council.

13. (SBU) Summing up the Council's work, Izar predicted that Deputy Vadao Gomes (PP-SP) would likely be acquitted of wrongdoing because "there's really no hard evidence against him, just a lot of allegations." (NOTE: On May 10, the Ethics Council absolved Gomes. End NOTE.) On the other hand, the very last Deputy to have his case come before the Ethics Council, Jose Janene (PP-PR) - whose case has

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been postponed several times due to his poor health - will lose his mandate. "Everybody knows he's not honest," says Mr. Izar. Asked how he can be confident that the Plenary will vote to convict Janene or anyone else in light of the acquittal of Joao Paulo Cunha (PT-SP - see ref D), Izar replied, "The acquittal of Cunha was a political deal between various parties that had an interest in seeing him go free because he's useful to them. Nobody has an interest in seeing Janene exonerated." The Ethics Council will wrap up its work by the end of May, Izar opined, to give the deputies enough time to campaign. Despite somewhat equivocal results in the eighteen cases of Deputies accused of corruption - three expelled, ten acquitted, four resigned rather than face the music, one pending - Izar was satisfied with the Ethics Council's work and felt it had made a substantial contribution to the public good.

PUBLIC TO GET MORE INVOLVED?

14. (SBU) Izar also analyzed the electoral scenario, saying that the mensalao scandal was damaging to Members of Congress in general but helpful to members of the Ethics Council. These Deputies, including Izar himself, are expected to be easily re-elected, while others will face very difficult campaigns. There is expected to be high turnover in the Chamber of Deputies. In contrast to many analysts who predict a high percentage of absenteeism and ballot spoiling in October - voting is mandatory in Brazil, but in a typical election, about 20 percent of voters either fail to vote ("abstain") or cast "blank" or "null" votes - Izar thinks the scandal will motivate people to be more involved in the campaign. He thinks more ordinary citizens will take on a more active role in politics, working to defeat corrupt politicians and to support "clean" candidates. This is because the voters, mainly from the middle- and upper-middle class, are, in his view, determined to defeat the PT and President Lula's government. He is less sanguine, however, about the prospects for political reform. Per ref E, Brazil uses a system in which Federal Deputies are elected by entire states at large based on each party's proportion of the total vote and individual candidates' personal votes. Izar does not see any prospect of Brazil's elected politicians' voting to move to a single-district system.

"They'd be voting against their own interests," he explained. And while he believes that a purely proportional system would be ideal, he also doesn't expect that to happen any time soon, largely because so many candidates benefit from the personal vote.

COMMENT

15. (U) Although he has changed parties five times since his first election as a state legislator in 1983, indicating he has no strong political allegiances, Izar is clearly enjoying and taking advantage of his position as Chairman of the Ethics Council in his campaign for reelection. He says he always gets compliments for his work on the Ethics Council when visiting his constituencies in Sao Paulo. He is absolutely certain he's going to be reelected. However, he believes it's going to be a very difficult election for his colleagues from both his own PTB and Lula's PT. The PTB supports Lula's government in the Congress but is likely to support Geraldo Alckmin, Sao Paulo former Governor from the Brazilian Social Democracy Party (PSDB), against Lula in the race for President, though it won't formally enter into an alliance with the PSDB. The PTB, like other small- and medium-sized

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parties, has to exceed the "barrier clause" threshold of five percent of the nation-wide Chamber of Deputies vote to survive. The PTB's popularity has been badly damaged by the mensalao scandal, in which the party's national president, Roberto Jefferson, was a key figure. However, like his "co-religionist" Luiz Antonio Fleury (see ref C), Izar is sure the PTB will survive because isn't part of any national alliance. Regardless of what his party does, Izar said he will support Alckmin for president, and he thinks Alckmin still has a chance to beat Lula, despite recent setbacks. Like the majority of political insiders, however, Izar does think the PT is in trouble. It will get 60 to 70 seats in the Congress, down from 90 in the 2002 general election. According to Izar, voters from the middle and upper classes are so irritated with Lula that they will have strong participation in the election. He says when he meets with voters he tells them they have to do more if they want to defeat Lula. END COMMENT.

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